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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

C.W.P. No. 4093 of 2007
Date of decision: 16.3.2007

M/s Apollo Bio Chem. Ltd.,Chandigarh ...Petitioner

Versus

Punjab State Industrial Development Corporation, Chandigarh

and another ...Respondent

CORAM: HON'BLE MR.JUSTICE VINEY MITTAL
HON'BLE MR.JUSTICE RAJESH BINDAL

Present: Mr.Bahal Singh Malik, Advocate for the pettiioner.

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RAJESH BINDAL, J.

Petitioner has approached this Court challenging the notice issued by Punjab State Industrial Development Corporation Ltd.(for short, 'the Corporation') under Section 29 of the State Financial Corporation Act, 1951 (for short 'the Act') to pay the amount due to the corporation on account of default having been committed by the petitioner in repayment of the loan raised by it.

As per notice, petitioner is in default of Rs. 184.25 lacs on account of principal amount and Rs. 282.91 lacs on account of interest thereon, the total being Rs. 467.16 lacs.

We have heard Mr. Bahal Singh Malik, learned counsel appearing for the petitioner and perused the relevant documents with his assistance.

Primary contention raised by the learned counsel for the petitioner is that the Corporation is not following the guidelines issued by the Government of India and Reserve Bank of India annexed as Annexures P-3 and P-6 respectively. As far as the guidelines issued by the Government

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of India, Ministry of Finance (Annexure P-3) are concerned, on perusal thereof, counsel for the petitioner could not dispute that the same pertain to the cases of nationalisation of industrial units. Accordingly, the same are not applicable in the facts and circumstances of the case. Even as regard the instructions issued by the Reserve Bank of India (Annexure P-6), learned counsel for the petitioner could not convince the Court as to how those are binding on the Corporation. Raising of loan and the default thereof has not been disputed. All what has been stated is that the Corporation has not been performing its duty diligently. For that counsel for the petitioner submitted that the sanctioned amount of loan was not disbursed and further the disbursement of the amount was delayed. But he could not satisfactorily reply to the query of the Court as to why any remedial steps for these grievances were not taken at the appropriate time, when the loan was raised during the year 2000-01 and why the same is being raised only when the loan is recalled. It is also further evident that petitioner has already responded to the impugned notice (Annexure P-14) vide his letters dated January 29, 2007 and February 5, 2007.

Counsel for the petitioner has not been able to make out a case for interference by this Court. Considering the totality of the facts and circumstances of the case, we do not find any illegality in the impugned notice. The Corporation was well within its right to take action under Section 29 of the Act in case of default in repayment of loan, which is admitted.

Accordingly, we do not find any merit in the writ petition and the same is dismissed.

(Rajesh Bindal)
Judge

March 16, 2007 **(Viney Mittal)**
Pka **Judge**